

1413 of Public Law 108-136 after September 30, 2007; and

(e) Those departments and agencies, excluding the Department of Defense, that use the direct-hire authority provided in § 337.204(c) must submit to OPM a report on their implementation of section 1413 of Public Law 108-136 no later than December 31, 2006. The report must include:

(1) A description of how the agency's implementation satisfied each of the elements laid out in §§ 337.203 and 337.204(b)(1)–(8), as applicable;

(2) An assessment of the effectiveness of the authority in attracting employees with unusually high qualifications to the acquisition workforce; and

(3) Any recommendations on whether the authority should be extended.

[69 FR 33275, June 15, 2004, as amended at 70 FR 44847, Aug. 4, 2005]

Subpart C—Alternative Rating and Selection Procedures

SOURCE: 69 FR 33276, June 15, 2004, unless otherwise noted.

§ 337.301 Coverage and purpose.

This subpart implements the category rating and selection procedures at 5 U.S.C. 3319. This law authorizes agencies with delegated examining authority under 5 U.S.C. 1104(a)(2) to develop a category rating method as an alternative process to assess applicants for jobs filled through competitive examining.

§ 337.302 Definitions.

In this subpart:

(a) *Category rating* is synonymous with alternative rating as described at 5 U.S.C. 3319, and is a process of evaluating qualified eligibles by quality categories rather than by assigning individual numeric scores. The agency assesses candidates against job-related criteria and then places them into two or more pre-defined categories.

(b) *Quality categories* are groupings of individuals with similar levels of job-related competencies or similar levels of knowledge, skills, and abilities.

§ 337.303 Agency responsibilities.

To use a category rating procedure, agencies must:

(a) Establish a system for evaluating applicants that provides for two or more quality categories;

(b) Define each quality category through job analysis conducted in accordance with the “*Uniform Guidelines on Employee Selection Procedures*” at 29 CFR part 1607 and part 300 of this chapter. Each category must have a clear definition that distinguishes it from other categories;

(c) Describe each quality category in the job announcement and apply the provisions of part 330, subparts B, F, and G of this chapter;

(d) Place applicants into categories based upon their job-related competencies or their knowledge, skills, and abilities; and

(e) Establish documentation and record keeping procedures for reconstruction purposes.

§ 337.304 Veterans' preference.

In this subpart:

(a) Veterans' preference must be applied as prescribed in 5 U.S.C. 3319(b) and (c)(2); and

(b) Veterans' preference points as prescribed in section 337.101 of this part are not applied in category rating.

§ 337.305 Reporting requirements.

Any agency that uses category rating must forward to OPM a copy of the annual report that it must submit to Congress pursuant to 5 U.S.C. 3319(d). Agencies must send their annual reports to the Speaker of the House and the President of the Senate. The report must include the following information:

(a) The number of employees hired under the system;

(b) The impact that system has had on the hiring of veterans and minorities, including those who are American Indian or Alaska Natives, Asian, Black or African American, and native Hawaiian or other Pacific Islanders; and

(c) The way managers were trained in the administration of category rating.